

REMARKS / ARGUMENTS

Claims 1-5 are pending, and all claims stand rejected. Claim 1 has been amended to point out that the present invention includes the printing of the payee's name and amount of the check, along with the photograph of the payee. This is not new matter (See the specification, at page 5, line 18 – page 6, line 8). While it is believed that none of the prior art was truly relevant to the invention prior to the current amendment, it should be clear that none of the prior art involved the printing of the payee's name, the amount of the check, and the payee's photograph when the check was printed.

The Examiner noted that in the disclosure in U.S. Patent 6,106,020 of Leef, *et al.* ("Leef, *et al.*") "... the account holder is the photograph of the payor who can also be the inherent special case of the payee as well if the payor writes out a check to himself, or, a bank, ordinarily a drawee, can also be the payor when one closes an account and the bank makes out a check to the account holder or payee. Thus Leef, *et al.* can apply to claims 1-5."

Applicant respectfully submits that Leef, *et al.* failed to point out that the amount of the check would be printed on the check along with the payee's information. With respect to a bank printing a check to a customer when the customer closes an account, Applicant respectfully points out that Leef, *et al.* referred only to customer accounts, rather than bank checks, and teaches nothing about placing a customer's photograph on a check when the check is printed with the amount. At most, Leef, *et al.* dealt with printing a photograph of the person presenting a check (possibly, but not necessarily, the payee) when the check is presented for payment, rather than when the check is prepared.

The Examiner further stated, "On page 6, line 20, while the payee data is different on both checks, the payor is the same, ABC corporation or company, 'ANY BANK' is also the same on both checks."

In that Claim 1 has been amended to point out that the printing of the payee data includes the amount of the check, along with the photo of the payee, the Examiner's comments do not appear to be relevant to the invention as now claimed.

The Examiner went on to point out that it would be inherent to use backup files in security matters such as check processing as well as to re-order start-up checks (referring to page 7, first and second paragraphs); that the payor can be the payee, so there would be no need to print redundant information (referring to page 8); and that on page 9, with respect to Claim 2, Leef, *et al* disclosed digital image photography; that on page 9, with respect to Claim 3, the invention (inventor???) has the motivation on page 8, line 12 to prevent fraud, which contradicts Claim 3 where an altered or old photograph could be sent in; that on page 10 (with respect to Claim 4) the payor can be the payee; and that on page 10 (with respect to Claim 5) unique filenames would be inherent to separate different payees or to update their data profiles.

Applicant respectfully points out that when one uses a computer, the use of a backup file may be advisable, but it is not "inherent". Further, "motivation" cannot be inferred with hindsight. 35 U.S.C. §103 requires prior art, not current hindsight. By way of example, while the newly cited U.S. Patent No. 3,950,015 ("Shrock") includes the "motivation" to prevent fraud (col 1, lines 7-20), at the time that that patent application was filed, the inventor indicated that the use of a social security number would be a good addition (col 2, lines 58-60), when current hindsight says that disclosure of one's social security number only aids in identity theft.

The other items mentioned by the Examiner are not considered relevant in that they do not address the invention as now defined by Claim 1, the sole independent claim.

In the alternative to the Leef, *et al.* patent, the Examiner has cited additional, new art, namely U.S. Patent No. 6,286,756 ("Stinson") in view of U.S. Patent No. 3,950,015 ("Shrock"). Based upon the newly cited art, Claims 1, 2, 4, and 5 stand rejected under 35 U.S.C. §103(a) as being unpatentable over the disclosure in Stinson in view of Shrock. The Examiner argued that Stinson discloses a method for providing personal identification on checks issued by a payor to payees which includes the steps of:

- (a) the payor obtaining a digital image of each payee (col 10, lines 12-29)
- (b) said payor assigning a unique filename to each said digital image which is uniquely associated with each payee (col 9, lines 57-60; col 10, lines 4-7)
- (c) storing each digital image on a computer storage medium of said payor using the unique filenames;
- (d) selecting payee data, including (for each payee) the unique filename. The Examiner acknowledged that Stinson *did not* teach using payee data for check printing. However, the Examiner argued that Shrock discloses using payee data for check printing, and that it would have been obvious to one of ordinary skill in the art to use payee data for check printing for the advantage of reducing fraud transactions by further confirming the identity of the payee. As set forth herein, Shrock does not use "payee" data when the traveler's cheque is printed, but "drawee" data, as the "payee" is party to whom the traveler's cheque is ultimately made payable (not the person who purchased it) is the "payee". Payee data, in accordance with

the present invention, includes a photograph of the payee, something not even known when the traveler's cheques of Shrock are printed.

(e) the Examiner stated that Stinson teaches printing checks for said payee data for each check, each said check being printed with an image of the payee retrieved from said computer storage medium using said unique filename (referring to col 9, lines 57-60; and col 10, lines 4-7). The Examiner acknowledged that Stinson *does not* teach that each check will include a photographic image of the payee to whom such check was written. However, the Examiner argued that Shrock discloses printing checks and that each check will include a photograph of the payee to whom such check was written (col 1, lines 26-46). The Examiner argued that it would have been obvious to one of ordinary skill in the art to have printed checks to minimize fraud.

Actually, Stinson is concerned with the process of negotiating a check by a "holder" who happens to be a customer of the bank which operates the ATM. Neither the party who issued the check, nor the payee of the check needs to be customer's of that bank, so there is no way that Stinson could have taught anything, in general, about a photographic image of the payee of the check. For example, if the government issues a paycheck to an Examiner, then the government may have its payroll account at Bank A, and the Examiner (the "payee") may have his account at Bank B. However, the Examiner could negotiate his paycheck, by going to a friend, relative, business associate, and endorsing it, and that recipient party (the "holder") may well have his account at Bank C. Assuming that the holder then goes to the ATM of Bank C, which operates in accordance with the teachings of Stinson, Bank C neither knows, nor cares, about the Examiner, but only cares that the holder is a customer who is endorsing a check which Bank C must now decide to accept or reject based upon its relationship with the holder.

With respect to Claim 2, the Examiner argued that Stinson teaches the step of obtaining a digital image is accomplished by using a digital camera.

As set forth above, this has nothing to do with the present invention in that the digital image is not on the check, and it may not even be an image of the payee. It is an image of the holder, which is being compared to the biometrics of the person at the ATM.

With respect to Claim 4, the Examiner argued that Stinson teaches the step of assigning a filename uniquely associated with each payee (col 9, lines 57-60; col 10, lines 4-7).

Again, the teachings of Stinson are not relevant to the present invention.

With respect to Claim 5, the Examiner argued that Stinson discloses the step of selecting payee data, as being accomplished by using data from each payee's data record to generate a filename which is uniquely associated with each payee's image file. The Examiner acknowledged that Stinson *does not* teach using payee data for check printing, but states that it would have been obvious from the teachings of Shrock to print payee data to reduce fraudulent transactions.

While the teachings of Stinson are not related to the present invention, for reasons already expressed, it is (in general) not correct to state that the images on file with the bank of Stinson are "payee" images. They are "customer's" images. As explained above, the customer is a holder of the check, but not necessarily the payee. Further, in Stinson, there is no photograph on the check.

Claim 3 stands rejected under 35 U.S.C. §103(a). The Examiner argued that Claim 3 is unpatentable over Stinson, in view of Shrock, and further in view of the disclosure in U.S. Patent No. 5,668,897 ("Stolfo"). The Examiner argued that Stinson teaches that the step of

obtaining a digital image is accomplished by taking a photograph (col 2, lines 17-35). The Examiner acknowledges that Stinson *does not* teach a conventional photograph. However, the Examiner argues that Shrock does so, and that Stolfo teaches scanning, which is untaught by either Stinson or Shrock.

The present invention does not generically claim scanning photographs, but uses scanning of photographs as one step in the inventive method defined by the claims. The Examiner cannot select unrelated art to try to weave a new quilt which would overlap the present invention.

The foregoing was an attempt to set out the Examiner's position, as understood by the undersigned, and to respond to each of the Examiner's statements. However, it must be pointed out that the undersigned found that the Examiner, and much of the art relied upon by the Examiner, failed to accurately use the proper legal terminology when referring to specific legal terms defined by the Uniform Commercial Code, and readily found in Black's Law Dictionary, including, but not limited to "payor", "payee", "drawer", "drawee", and "check". All of the foregoing legal terms were used in their proper, legal manner in the present application, but not in the cited art, as set forth more fully below. While it is well settled that "... patent law allows the inventor to be his own lexicographer...", *Autogiro Company of America v. U.S.*, 384 F.2d 391, 397 (Ct. Claims 1967), and that, therefore, the "improper" usage in the cited prior art of legally defined terms is acceptable, the Examiner should realize that when the cited art "redefines" a legal term, that the "redefined" term is only applicable to the art in which it is used.

The following issues are generic to the invention as claimed, and to the Office Action, as understood. First, the Examiner relied upon three newly cited patents – namely, the

U.S. Patent No. 6,286,756 (“Stinson”), U.S. Patent No. 3,950,015 (“Shrock”), and U.S. Patent No. 5,668,897 (“Stolfo”). Briefly, Stinson relates to a cardless (often, throughout Stinson, more accurately referred to as “careless” automated transactions, See, col 1, lines 43, 58; col 2, lines 53, 60; col 3, line 31; col 4, line 32; col 15, line 24; col 18, line 37, 42; and Claim 12) ATM machine which uses biometrics to identify a customer who is seeking to receive cash from the machine. Notably, Stinson failed to relate the term “customer” to the legal terminology of the law of negotiable instruments, *e.g.*, “payor”, “payee”, “drawer”, or “drawee”, as Stinson is only concerned with the identity of the person who appears at the ATM machine, who is seeking to endorse and cash a check. Thus, the customer may be a payor, a payee, a drawer, or a holder of the check, as it is only important to Stinson that the bank operating the ATM machine have an existing relationship with that person (*e.g.*, they are a “customer” who has an existing account, so a properly endorsed check will be accepted and cashed if the customer’s account is satisfactory). Further, as the Examiner noted, in Stinson, there is no mention of a photograph of the payor being on the check, as that is not relevant to the invention of Stinson, and it is not necessary for negotiation of a check.

Actually, in most instances in which an ATM machine is used to obtain cash, there is no check, and the customer receives cash from the customer’s own account. In those instances in which a check is involved, the customer is asked to endorse the check (col 9, lines 13-33), remove any hats or sunglasses, and the ATM then compares the biometrics of the customer’s face with a stored image of the customer to verify the customer’s identity with the image of the customer (not necessarily the payee) stored in the database, using software called TrueFace CyberWatch (col 9, lines 41-56). Notably, anyone familiar with the process of a bank’s

customer trying to cash a check will realize that the process described by Stinson is merely an automated approach to a bank's own customer appearing at a bank location (*e.g.*, at the ATM instead of at a teller's cage), and the ATM (instead of the teller) confirming the identity (and account information) of the bank's own customer. Notably, Stinson describes the endorsement of the check which is being presented. Endorsement by a holder is required to negotiate a check. Presumably, the check being presented was either made out to the bank's customer (making him the "payee"), or previously negotiated to him (in which case he would be a "holder"). In either event, the check does not carry the photo of the payee as required by the claims of the present invention. Even if the ATM were to take a photo of the person who appeared before it, and print it on the check, such action would not be within the claims defining the present invention, as the claims require the "payor" to print the photos on the checks (along with other payee data such as the amount of the check). The invention described by Stinson relates to check cashing by customers. It has absolutely nothing to do with the printing, or issuance, of checks by a payor to payees. It is, therefore, irrelevant to the presently claimed invention.

As recognized by the Examiner, Stinson does not print a photo of the payee of the check (who may be the bank's customer, or it may be that the bank's customer is merely negotiating a "third party" check, *e.g.*, one which was issued by a payor to a payee, neither of whom is a customer of that bank, and then negotiated to the bank's customer). The ATM of Stinson merely compares the biometrics of the person at the ATM machine with a stored photo of the customer who that person claims to be, a process unrelated to the present invention.

The Examiner stated (Action page 4, section (e)), "Stinson teaches printing checks for said payee data for each check, each said check being printed with an image of the

payee retrieved from said computer storage medium using said unique filename.” Stinson teaches no such thing. As set forth above, and more importantly, as set forth in Stinson, Stinson only teaches comparing the biometrics of the person attempting to negotiate a check, by endorsing it at the ATM, with a stored image of a customer in the bank’s database. Notably, there is no mention, nor need for, a printed photo on the check presented when one follows Stinson’s teachings.

Somewhat confusingly, after making the (incorrect) statement that Stinson teaches printing the photo on the check, the Examiner then seems to have recanted, stating, “Stinson does *not* teach that each check will include ... a photographic image of the payee to whom such check was written.”

After having recanted, the Examiner next pointed to Shrock as disclosing “... printing checks and that each check will include ... a photographic image of the payee to whom such check was written.” Again, the Examiner does not appear to understand the current invention or the disclosure of the art he cited, and Shrock makes things worse in that the Shrock patent is laden with legal and drafting errors, the first one being that Shrock’s own name appears to have been misspelled in that the figures of the drawing refer to “Cecil C. Schrock” (with two “c”’s in “Schrock”), whereas the cover page of the patent refers to “Cecil C. Shrock”. Further, the Examiner should understand that a “traveler’s cheque”, of the type described by Shrock is not legally a “check”, nor is it a “traveler’s check” as that term is legally defined.

According to the Uniform Commercial Code, the term “check” means (i) a draft, other than a documentary draft, payable on demand and drawn on a bank; or (ii) a cashier’s check or teller’s check. The term “draft” means an unconditional promise to pay a sum certain

on demand, or at a definite time. If that time is in the future, then the “draft” is a “promissory note”. The term “traveler’s check” is defined to mean an instrument that (i) is payable on demand; (ii) is drawn on or payable at or through a bank; (iii) is designated by the term “traveler’s check” or by a substantially similar term; and (iv) requires, as a condition to payment, a countersignature by a person whose specimen signature appears on the instrument.

Thus, Shrock does not describe a check, as the document contains the condition that it be signed by the person who purchased it. Nor is it a “traveler’s check” in the legal sense, in that it is intended to have only a single signature by the purchaser (who is typically neither the “payee” nor, typically, the “payor”). As the document described by Shrock would not have the signature of the purchaser until the purchaser executed it (col 1, lines 26-35; col 2 lines 31-43), and it would then have only the single signature of the purchaser, it would not be “countersigned” (even though the figures call for it to be “countersigned”, when the specification and the whole invention teach away from that). Thus, the document described by Shrock is neither a “check” nor a “traveler’s check” in the legal sense, but would constitute another form of instrument pursuant to the Uniform Commercial Code. This fact further removes the Shrock reference as appropriate prior art in that it is not a check; the payor is a third party company; the payee is not named until the purchaser fills in the name; there is no photograph on the instrument; payee data is not on the instrument; and the only photograph mentioned is the one of the purchaser, which is on an “identification certificate”, rather than on the instrument.

It is noted that among the (legal and drafting) errors in Shrock, one should not forget that as his own lexicographer, Shrock calls the purchaser the “payee”, when, in general, a traveler’s check is made payable to some party at some location where the purchaser chooses to

“countersign” when paying a bill or making a purchase. In view of the normal usage of traveler’s checks, it is interesting that whoever drafted the Shrock patent application apparently contemplated that the item be “cashed”, rather than used in connection with a purchase (col 2 lines 31-45). Further, any thought that Shrock is concerned with security should be readily dispelled by reference to Shrock’s suggestion that the “... identification number used may be a social security number.” (col 2, lines 58-60; Claim 5). The thought of making one’s social security number readily available, while common practice back in the security insensitive days of the 1970’s, is today nothing more than an open invitation to identity theft.

As set forth above, the general purpose of having a traveler’s cheque is that it allows a “stranger” (the purchaser of the traveler’s cheque) to travel to someplace where he is not known, but where the reputation of the drawee (*e.g.*, American Express) is well known. Traveler’s checks are generally accepted by parties to whom they are presented in reliance upon the underlying reputation of the drawee which is actually ordering payment of the draft upon the fulfillment of the condition that it be countersigned by the person named in it. Generally, it is not necessary for the party guarantying payment to be a bank. Nevertheless, Shrock appears to be caught up with the idea that his “traveler’s cheques” would be presented at a bank (which, in general, might not even have a branch in the country to which one has traveled) which would cash it for the purchaser upon that purchaser’s signing the document while in possession of the separate “identification certificate” having his photograph on it. Notably, following the teachings of Shrock, there would be no photograph on the document, so if someone was able to improperly pass a document with only a single signature (*e.g.*, the recipient who accepted the document failed to adequately confirm the identity of the user), then there would be no way to

confirm who received payment. Shrock's invention was hardly secure, it failed to come within the scope of the Uniform Commercial Code, and (consequently) if it was ever commercialized it appears to have failed as a commercially viable product.

Notably, Shrock mistakenly refers to "... each cheque bear a photographic resemblance of the payee..." (col 1, lines 35-38). However, Shrock's use of the term "payee" is limited to those instances in which the document is filled in by the user with his own name, as "payee". (As set forth in Black's Law Dictionary, a "payee" is "... the person to whom or to whose order a bill, note, or check is made payable."). Thus, while Shrock used the term "payee", he did so in referring to the "purchaser", who only became the "payee" in those instances when he made the instrument payable to himself for cashing it. In fact, the whole intent of the teachings and invention of Shrock was to induce a payee to accept a traveler's cheque from a drawer whose photo was available on a non-negotiable identification certificate (col 1, lines 7-25). Frankly, the undersigned has traveled and used traveler's checks for many years and has always found that prior to acceptance a payee will always insist upon photographic identification in the form of a driver's license (domestically) or a passport (internationally), each of which is a government issued form of photographic identification which bears the signature of the party to whom it was issued. Accordingly, the "value" of the Shrock invention, if any, is lost on the undersigned (as it most certainly appears to have been to the marketplace when one realizes that the Shrock invention was never a commercially viable product). While Shrock does mention an "identification number" on the "identification certificate", the undersigned notes that when one uses conventional traveler's checks one has an "identification certificate" in the form of a

driver's license or passport, which each have their respective identification numbers (*e.g.*, one's driver's license number or passport number) thereon.

Further, as even if the "traveler's cheque" of Shrock carried on it the payee's name and photographic resemblance, it is still not a legally a check, and by teaching that it should not be signed by the purchaser until it is cashed, Shrock teaches that it should not even become a negotiable instrument until the purchaser is ready to cash it. The present invention on the other hand, calls for the printing of "checks", which are (by definition) negotiable instruments.

The Examiner next bounced back to again use the Stinson reference incorrectly, stating "As per claim 5, Stinson discloses the step of selecting payee data being accomplished by using data from each payee's data record to generate a filename which is uniquely associated with each said payees image file." In fact, at the referenced locations in Stinson (col 9, lines 57-60; col 10, lines 4-7), Stinson refers to a stored *customer* image. Stinson does not mention the "payee" of the check, as the customer may not be the payee of the check, but Stinson merely refers to a "customer" who appears at the ATM with the check and is, presumably, the "holder" of the check (*e.g.*, the one who has to endorse it to negotiate it). Again, the Examiner does not appear to have a clear understanding of the legal issues relating to "negotiable instruments", particularly, check negotiation. Nevertheless, the Examiner did, next, acknowledge, "Stinson does not teach payee data for check printing.", although he, again, relied upon Shrock as teaching the printing of "payee" data. Again, Shrock deals with photographs which may not be on the instrument; and an instrument which is not a "check".

The Examiner next rejected Claim 3 as being unpatentable over Stinson in view of Shrock, and further in view of Stolfo, stating that Stinson teaches that the step of obtaining a digital image is accomplished by taking a photograph (which he then acknowledges is not taught by way of using a conventional photograph by Stinson, referring, again, to Shrock). The Examiner referenced Stolfo, whose teachings are totally unrelated to either the present invention, solely to show the use of scanning, which is merely a single element of a dependent claim in the present application.

Given the foregoing, it is quite clear that none of the prior art cited, individually or in any combination, would have made Applicant's invention obvious to one of ordinary skill in the art. Further, it is quite clear that the cited prior art is hardly "artful" in its teachings, *e.g.*, Stinson's "careless" ATM; Shrock's confusion about the legal terminology used when referring to the parties to negotiable instruments, along with his specific teaching that the instrument not be signed until cashed, thereby preventing it from being a negotiable instrument, no less a check; the Examiner's apparent confusion about the entire process associated with negotiating instruments including the proper legal terminology, along with the process of negotiation, and the differences between the terms "customer", "payee", "payor", "drawer", "drawee", "check", "draft" and "endorser", all of which have consistent legal meanings, irrespective of the manner in which they were used in the cited art.

In view of the foregoing, it is quite clear that a combination of the teachings of Shrock (who taught comparing the stored image of a customer with the appearance of a person at an ATM, rather than the image of a "payee" to the image on printed on a check) with the teachings of Stinson (who, at most, taught placing a purchaser's photograph on an identification

certificate which is loosely tied to his non-negotiable, non-check, non-traveler's check, "traveler's cheque"), would be no closer to the present invention than the teachings of Leef, *et al.* (U.S. Patent No. 6,106,020) which have heretofore been discussed in the response to the previous Office Action (which response is hereby incorporated by reference). Accordingly, it is respectfully contended that Applicant's invention, as claimed, is patentable over the prior art of record, in that no combination thereof even shows or discusses having the payor place the photograph of the payee on the check when it is issued, with such photograph having been printed along with other payee data.

In view of the comments herein, along with those previously made of record, Applicant respectfully contends that the application is allowable, and respectfully solicits reconsideration and allowance of the claims.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sanford J. Asman", with a long horizontal flourish extending to the right.

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Enclosures:

Petition for Extension of Time (3 Months) with
copy authorizing use of Deposit Account
Check for Petition Fee (\$475)

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